

fountains

PITTSTON FOREST

***An exceptional timberland investment
situated within 10 miles of Scranton and
highlighted by a quality red oak saw timber
resource and strong kingdom lot options.***



**480 GIS Acres
Ransom, Lackawanna County, Pennsylvania**

Price: \$1,345,000

LOCATION

Fountains is pleased to introduce the 480-acre Pittston Forest, a well-stocked hardwood timberland asset situated in northeastern Pennsylvania. This property is a classic multiple-use kingdom lot, well-suited for timber investment, lifestyle and recreation. Its exceptional paved access, good location, productive hardwood ridge sites and long views combine to create excellent private estate options or light rural subdivision opportunities during the coming ownership cycle.

The surrounding region lies within northeastern Pennsylvania's scenic Wyoming Valley, a northern Appalachian fold situated just west of the Scranton/Wilkes-Barre region. The property lies along the flank of a long upland hardwood plateau directly overlooking the Susquehanna River below, and is conveniently located just outside the city of Pittston (population 7,700).

During the late 19th century, Pittston's economy was anchored by a thriving anthracite coal mining and railroad industry which supplied coal to meet the Northeast's growing demand for energy during the Industrial Revolution. As the coal industry began subsiding in the mid-20th century, the community transformed itself at various stages into a diverse economic hub, producing at various times metals, paper products, plastics, apparel, beverages and electrical equipment. Today, Pittston serves as a bedroom community to the nearby Scranton/Wilkes-Barre metro region, home to over 530,000 residents.

New York City is situated 130 miles to the east, an easy 2.5 hour drive by car via I-80. Philadelphia is situated 117 miles south (2 hours), while the Washington D.C. metro region is situated 4.5 hours south.

ACCESS/BOUNDARIES

The property benefits from 6,000' of paved four-season road frontage along State Route 3005, known locally as Coxton Road. The northern two-thirds of this frontage is characterized by easy terrain and well-drained soils that are versatile for a variety of land uses, including light subdivision options, private kingdom lot development, recreation and forest management.

Internal access is gained via an established network of forestry trails that extend from the paved frontage well into the upper elevation areas of the property.



Top: Upper elevation views of the Susquehanna River Valley.

Middle: State Route 3005 frontage

Bottom: Well-stocked Appalachian hardwoods sites

ACCESS/BOUNDARIES (continued)

Boundary lines on the property are variable and consist of a mix of old blue paint, wire fence, stone walls and posted signs. Deed, tax map and GIS acreage indicate ± 480 acres. Although these maps have a GIS origin, buyers should not rely on them to accurately portray deeded boundary lines in the field. There could be errors in the maps presented in this report and boundary lines in the field could be inaccurate.

SITE DESCRIPTION

The property's outstanding multiple-use and timber investment opportunities are shaped by its highly-productive Appalachian soils and classic upland hardwood ridge and valley terrain. Topographic highlights include a moderately-sloped hardwood 'bowl' that is flanked by two prominent hardwood ridges situated near the north and south boundary lines respectively. Such terrain features create numerous opportunities for private kingdom lot development and outdoor recreational pursuits while also affording a solid timberland investment.

The southern ridge line (1,500' at sea level - ASL) represents the highest point on the land and characterizes much of the southern half of the property. It rises steeply from the paved road frontage before dropping into the moderately-sloped hardwood geological depression that occupies the heart of the land. The central 'bowl' is the point of entry for future residential, recreation and timberland management activities. A gated forestry trail within this vicinity connects the upper elevation areas of the property to the road frontage along its western perimeter.

From the land's central bowl, the northern ridge (1,040' ASL) is easily accessible via an internal trail system and offers notable off-grid cabin options with views of the river valley below. An upper-elevation view shed opening has been recently established in this vicinity as part of recent silvicultural activities by the ownership. This envelope could be further developed into an exceptional off-grid cabin site with unparalleled views up and down the Susquehanna River and surrounding Wyoming Valley region.



Top: A scenic waterfall along one of the property's two year round streams.

Bottom: Upper elevation views from utility ROW.

PROPERTY TAXES AND DEED INFORMATION

Annual property taxes in 2015 are \$5,445.68. The property IS NOT enrolled in Pennsylvania's Clean and Green Program, which significantly reduces the annual tax burden. For more information about Clean and Green, contact Fountains Land at (518) 668-5880. The property is listed in the Lackawanna County Real Property Tax Service in Wilkes-Barre, PA as Ransom Township tax map parcel 164.-01-010-001. Deed information can be found in the Luzerne County Clerk's Office and filed in instrument #2006-00875. The property is currently being leased to a recreational hunting club through May 2015. For copies of the hunting lease, contact Fountains. Coal rights are reserved per PA legislation dating back the late 1950s. No gas leases have been executed to date by the current ownership.

TIMBER RESOURCE

Timber Inventory:

Timber information in this report is based on data collected on the property in October and November of 2010 and processed in December of 2010 by an independent service provider commissioned by the ownership. The inventory design was based on a random 5 X 6 chain grid using a 10 BAF prism, where 144 sample points were acquired. All inventory points were monumented in the field and are available for inspection. Data processing was performed by the independent service provider using the TIGER forest inventory program.

Since the inventory, a thinning operation was conducted on 114 acres removing 177 MBF of sawtimber and 292 cords. This harvest volume was removed from the original inventory volumes, with the residual volumes grown forward by species and product to account for the 2011 through 2014 growing seasons.

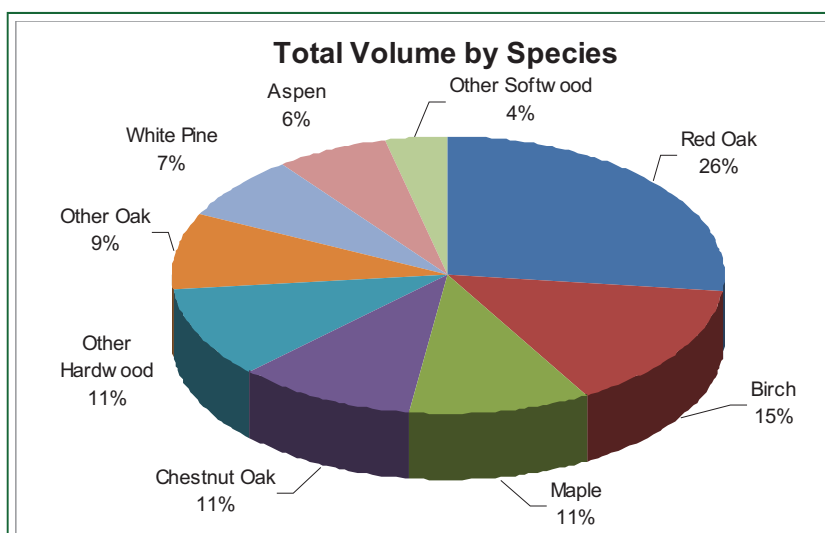
Timber volumes by species and product were valued based on the actual stumpage values achieved during the thinning operation and revised slightly for the intervening years, with the results summarized on the Timber Valuation page of this report. The Timber Valuation indicates a total Capital Timber Value (CTV) of \$517,600 (\$1,171/acre) on 2,389 total MBF and 5,365 total cords. Full details of the timber inventory process, data printouts, inventory maps, cruise specifications, and growth rates are available at the Fountains Land Data Room or available upon request.



Well-stocked hardwood stands with excellent stem height & quality

Species Composition:

The forest's predominantly well-drained sloped terrain has led to a resource dominated by hardwood species, which account for 89% of total volume. Overall, species composition is quite diverse and highly favorable, consisting primarily of the oaks, maples and white pine with associated other desirable species (birch, ash, poplar and hickory). A small volume of lower valued hemlock and aspen is dispersed over the forest. The market climate is such that strong demand for the majority of species currently exist from the many regional forest products manufacturers, mostly in the form of sawmills and log buyers.



Stocking & Stem Quality:

Forest-wide, total basal area is 96 ft², representing fully-stocked conditions. The per acre volumes (excluding topwood) of 5.405 MBF and 12.1 cords indicates a resource with both a high percentage of sawlogs and a considerable growing stock component (younger stems nearing the sawlog size class). Total volume across the property is 22.9 cords per commercial acre, near average for the region and providing ideal conditions to implement further thinning operations.

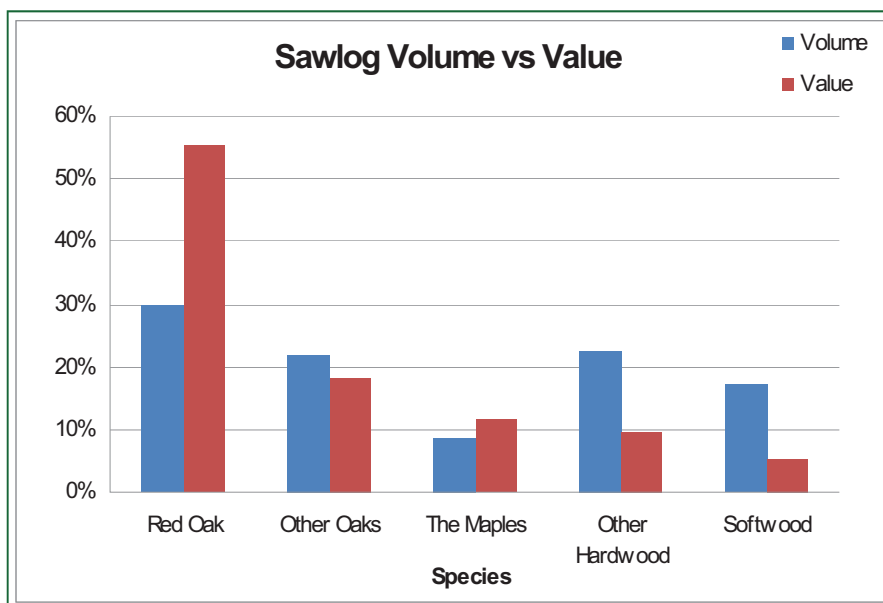
TIMBER RESOURCE

Forest Structure & Age:

A silvicultural thinning operation was last conducted in the winter of 2012, where activity was limited to 114 acres located at the property's central region. This forestry activity was focused on improvement thinning with careful attention to stem spacing and species retention of the highest quality trees. Prior to this activity, harvesting occurred property-wide about 25 to 30 years ago, resulting in the current youngest age class. Overall, the forest contains three primary age classes: 25-30 years of age (4-6" stems), 55-65 years of age (small sawlogs), and >85 years (large sawlogs).

Sawlog Value:

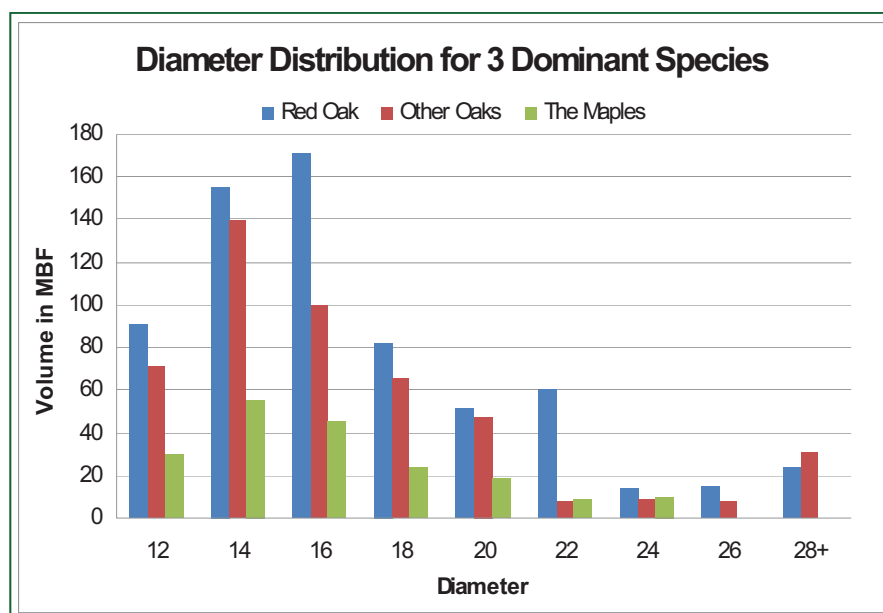
Red oak sawlog value leads the way, holding 55% of sawlog value. Combined with other oak species (chestnut, black, white and scarlet), the oaks hold nearly 77% of the total sawlog value and nearly 53% of total sawlog volume. Sugar maple, white pine, ash, red maple and hemlock accounts for much of the balance of the sawlog volume and value.



Diameter Distribution:

Diameters are well represented across the commercial spectrum with a notable medium sawlog size class, as well as an abundant pre-pole/pole resource (stems well positioned to develop into the sawlog size class within the next 10 years). This latter-mentioned size class is dominated by red oak, the birches, chestnut oak and red maple. Average diameter (based on total volume with all products combined) is 13", with sawlogs at 16".

Average diameter for three of the main species or species groups are: red oak 16", other oaks 16", and the maples 15". All three species pairs contain much of their sawlog volume in the 14-18" size class with a notable mature component (greater than 18" DBH).



PITTSTON FOREST

Timber Valuation

Prepared By

FOUNTAINS FORESTRY INCORPORATED

Lackawanna County, PA
February 2015

480 Acres
442 Commercial Acres

Species	Volume MBF/CD	Unit Price Range			Total Value
		Low	High	Likely	Likely
Sawtimber - MBF (Scribner)					
Red Oak	663	300.00	450.00	400.00	265,400
Sugar Maple	123	300.00	400.00	370.00	45,400
Chestnut Oak	221	100.00	125.00	130.00	28,800
White Oak	121	200.00	300.00	240.00	29,100
White Pine	309	50.00	100.00	80.00	24,700
Black Oak	79	200.00	300.00	265.00	21,000
White Ash	101	125.00	200.00	185.00	18,700
Red Maple	92	150.00	200.00	185.00	17,100
Scarlet Oak	91	140.00	200.00	160.00	14,500
Yellow Poplar	60	125.00	175.00	160.00	9,600
Black Cherry	13	800.00	1,000.00	800.00	10,100
Misc Hardwood	294	20.00	30.00	25.00	7,300
Hemlock	129	30.00	50.00	40.00	5,200
Hickory	66	40.00	60.00	50.00	3,300
Basswood	13	50.00	100.00	75.00	1,000
Misc. Softwood	13	30.00	50.00	25.00	300
Pulpwood - Cords					
Hardwoods	5,146	3.00	5.00	3.00	15,400
Softwood	220	2.00	5.00	3.00	700

Totals					
Sawtimber Total	2,389	MBF			\$501,500
Sawtimber Per Acre	4.977	MBF			\$1,045
Sawtimber Per Comm. Acre	5.405	MBF			\$1,135
Cordwood Total	5,365	Cords			\$16,100
Cordwood Per Acre	11.2	Cords			\$34
Cordwood Per Comm. Acre	12.1	Cords			\$36
Total Per Acre					\$1,078

Total Value	<u>Low</u>	<u>High</u>	<u>Likely</u>
	\$459,000	\$556,000	\$517,600

BASED ON DECEMBER 2010 INVENTORY BY SELLER'S MANAGER AND ADJUSTED FOR 4 YEARS OF GROWTH

The inventory based on 144 plots taken on a 5X6 chain grid with a 10 BAF Prism.

The volumes and values reflect estimated total capital value of merchantable timber.

The volumes and values are not a liquidation value.

2012-2013 harvest volumes deducted from original inventory data.

Stumpage prices based on actual stumpage values achieved in the 2012 timber bid sale event.

ADDITIONAL PENNSYLVANIA TIMBERLAND OPPORTUNITIES

Pittston Forest is one of ten tracts located in northeast and central Pennsylvania and held by the same ownership. Each tract represents a multiple-use asset containing a diverse, high quality and fully-stocked timber resource, well positioned for asset appreciation.

The chart below lists each tract's key characteristics. The locus map on the following page depicts the location of the featured tract in relation to the other available properties. For more information about a specific property, including additional timber data, deeds and title policies, go to www.fountainsland.com where full reports on each property are available. On the Properties page, on the far right side of the page, click on Data Room. Choose *Northeast PA Timberlands* from the drop-down menu and enter **marcellus** for the password.

Tract Details & Comparison					
Tract Name	List Price	Acres	Total Sawtimber MBF	Total Pulp Cords	Site Attributes
Marchalonis	\$1,600,000	540	3,261 MBF	5,425 cds	Quality stems, high stocking; oak dominated, large diameter maturing resource; 1.6 miles of paved road frontage and subdivision/wind opportunity. SOLD
Pittson	\$1,345,000	480	2,210 MBF	5,259 cds	Long tenure of managed woodlands with good stocking and large diameters; 1.1 miles of paved road frontage with immediate subdivision opportunity and long views.
Danville	\$1,181,000	424	1,711 MBF	4,625 cds	Outstanding blended real estate and timber investment opportunity; multiple access points and internal road; well-managed hardwood resource; close to Geisinger Medical Center.
Bear Creek	\$606,000	379	812 MBF	2,138 cds	Classic central PA ridge-and-valley timber lot overlooking Wyoming Valley; open summit offering long views and a developing oak timber resource.
Nescopeck Mountain	\$921,000	348	1,691 MBF	3,818 cds	Includes private log cabin, mountain-top terrain and well managed timber resource; easy access from I-80 and close to Bloomsburg.
Penobscot Mountain	\$634,000	266	883 MBF	2,594 cds	Diverse Appalachian hardwoods for a variety of ownership objectives; Susquehanna River frontage, home site opportunity, convenient location.
Pond Hill	\$431,000	123	—	—	Attractive multiple-use property with excellent home site opportunity; fields and end of the road access with power; only 17 miles from Wilkes-Barre. SOLD
Red Rock One	\$285,000	93	435 MBF	1,031 cds	Three-bedroom cabin on over 100 acres near Rickett's Glen State Park; nice sugar maple and red oak resource; hunting opportunities on-site and on surrounding public lands.
Buckhorn	\$228,000	85	408 MBF	935 cds	Classic central PA hunting property with a well-stocked oak resource and adjacent fields to encourage wildlife population. SOLD
Red Rock Two	\$62,500	10	37 MBF	—	Saltbox-style cabin with open floor plan and loft on well-managed land near Rickett's Glen; hunting retreat or recreational destination. SOLD

Fountains Land Inc. is the exclusive broker representing the seller's interest in the marketing, negotiating and sale of this property. Fountains has an ethical and legal obligation to show honesty and fairness to the buyer. The buyer may retain brokers to represent their interests. All measurements are given as a guide, and no liability can be accepted for any errors arising therefrom. No responsibility is taken for any other error, omission, or misstatement in these particulars, nor do they constitute an offer or a contract. We do not make or give, whether in these particulars, during negotiations or otherwise, any representation or warranty in relation to the property.

Pennsylvania Timberlands Locus Map

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Marchalonis Forest
540 Acres **SOLD**
Schuylkill County

Penobscot Mtn Forest
257 Acres
Luzerne County

Pittson Forest
480 Acres
Lackawanna County

Pond Hill Forest
123 Acres **SOLD**
Luzerne County

Nescopeck Mtn Forest
348 Acres
Columbia County

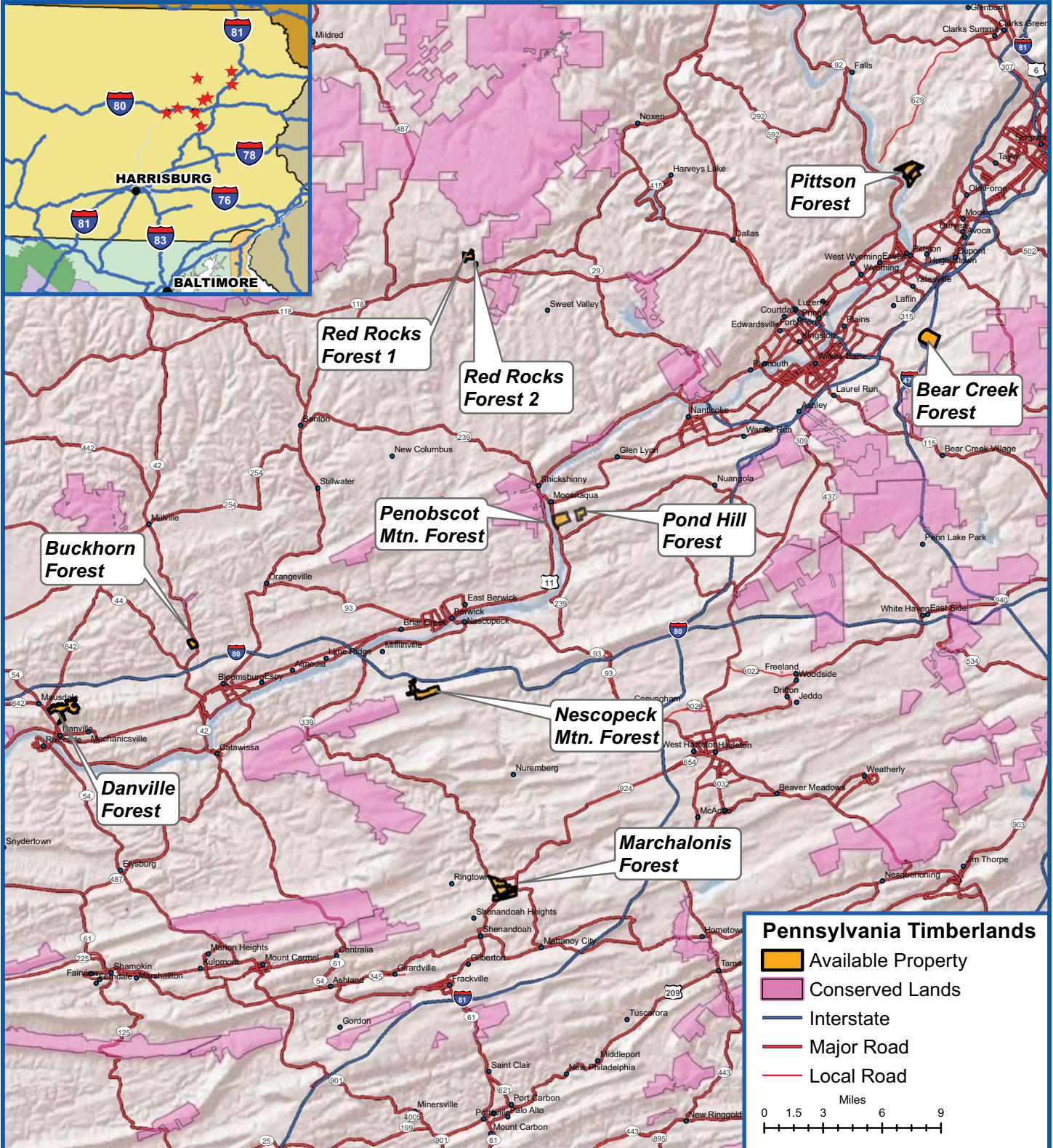
Danville Forest
426 Acres
Montour County

Red Rocks Forest 1
101 Acres
Luzerne County

Red Rocks Forest 2
10 Acres **SOLD**
Luzerne County

Bear Creek Forest
379 Acres
Luzerne County

Buckhorn Forest
85 Acres **SOLD**
Columbia County



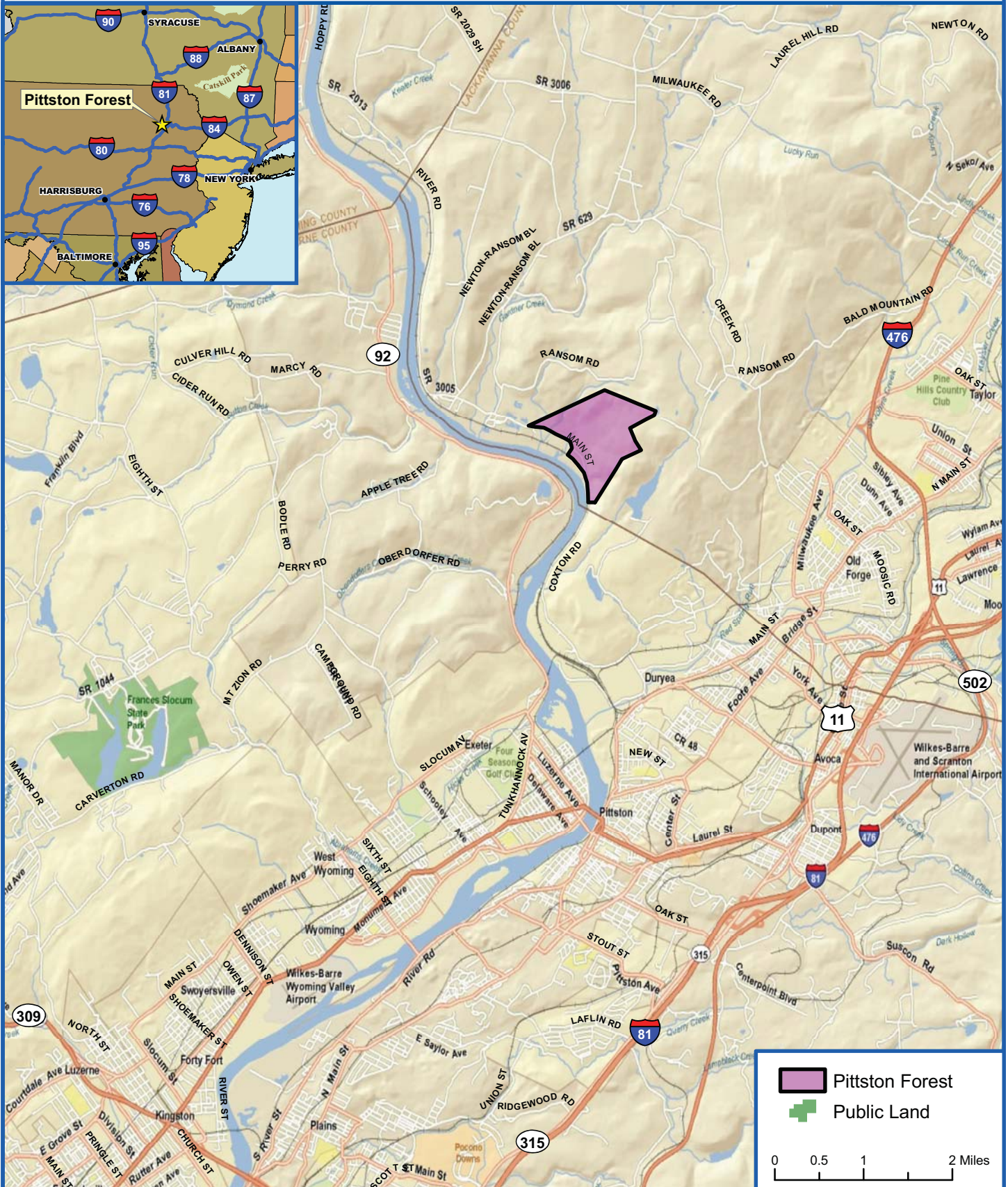


Locus Map Pittston Forest

480 GIS Acres

Ransom, Luzerne County, Pennsylvania

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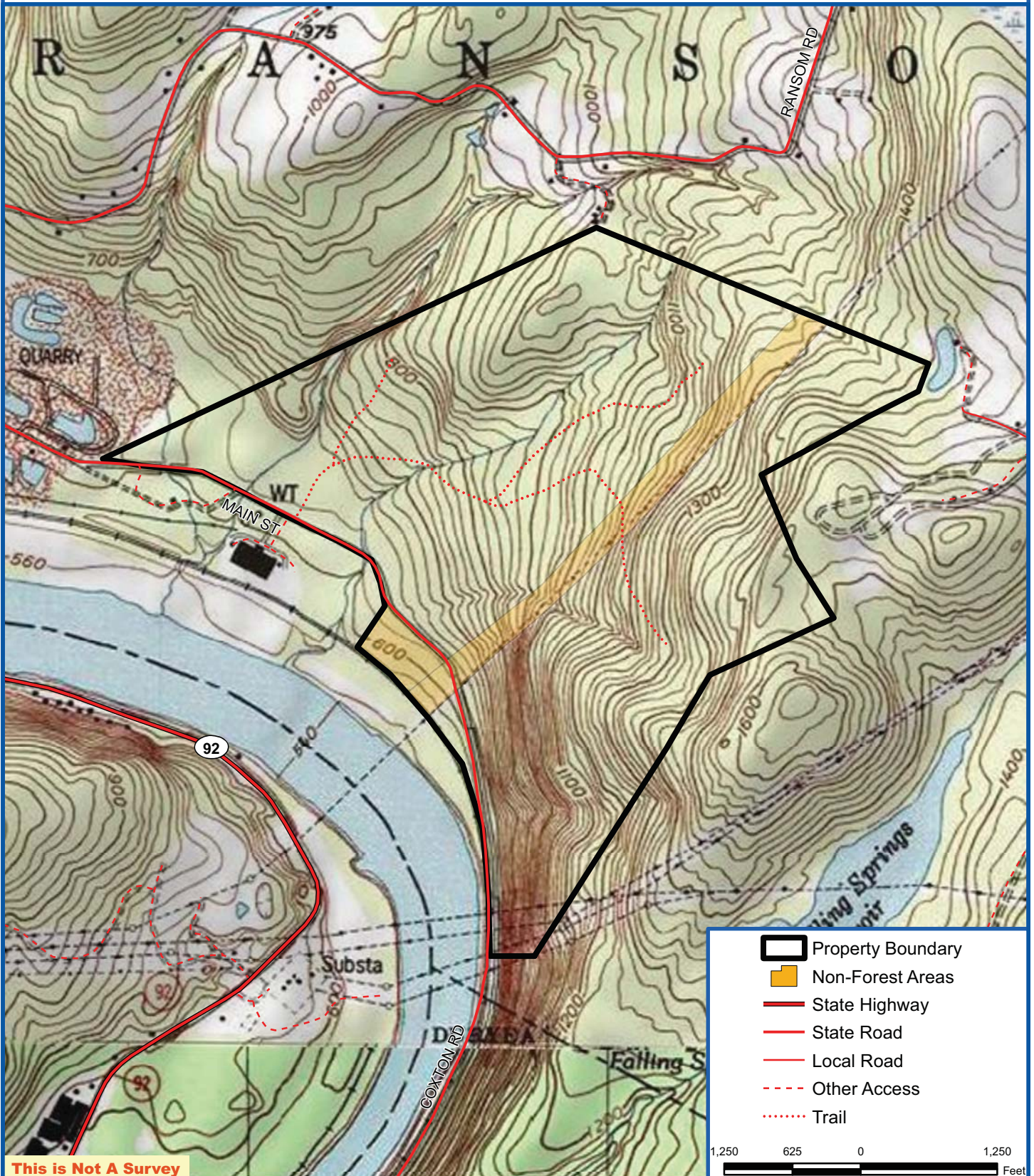


Pittston Forest

480 GIS Acres

Ransom, Lackawanna County, Pennsylvania

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Map produced from information supplied by the seller, aerial photography and reference information obtained from PSDA.
Boundary lines portrayed on this map are approximate and could be different than the actual location of boundaries found in the field.

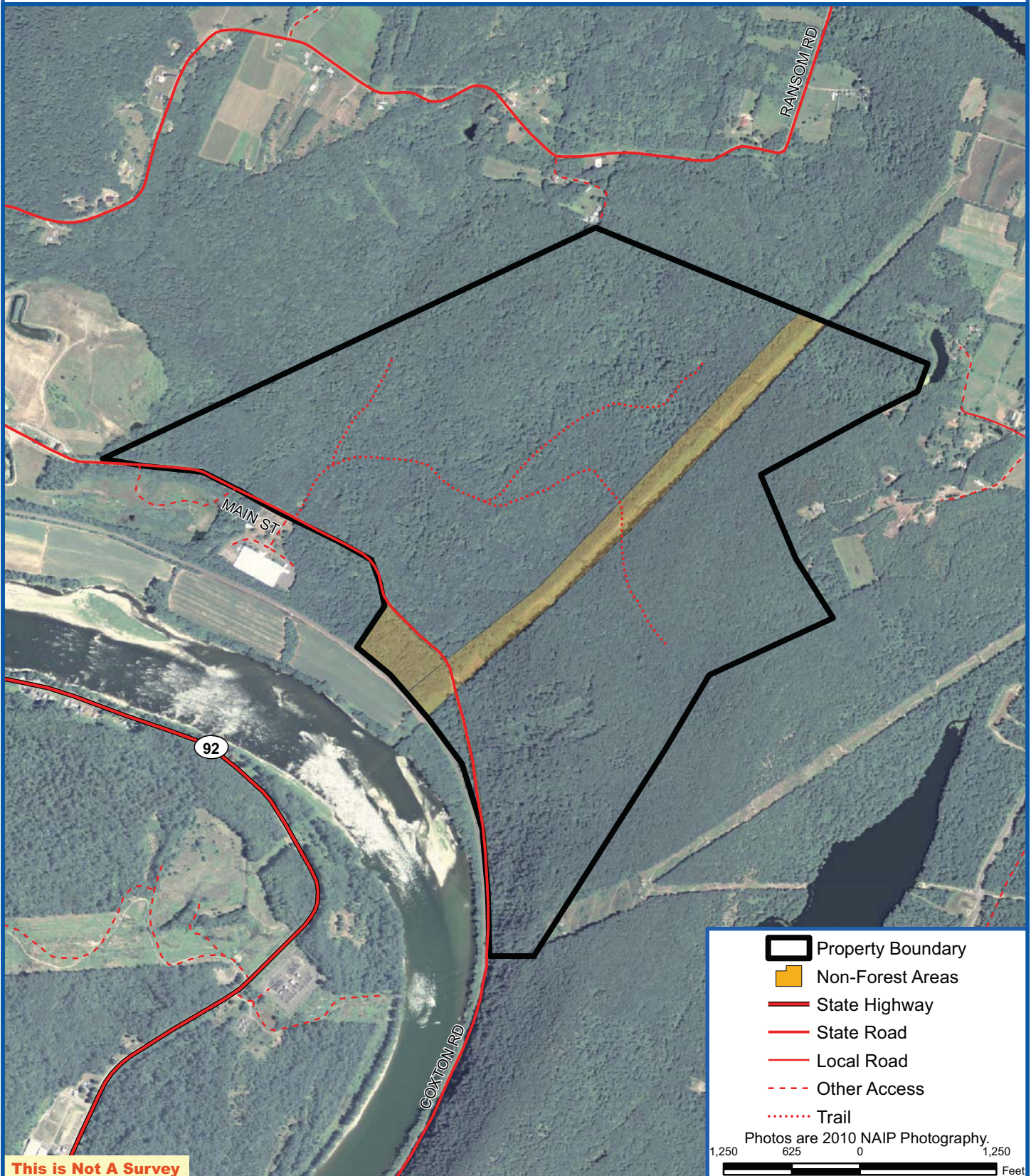


Pittston Forest

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Ransom, Lackawanna County, Pennsylvania

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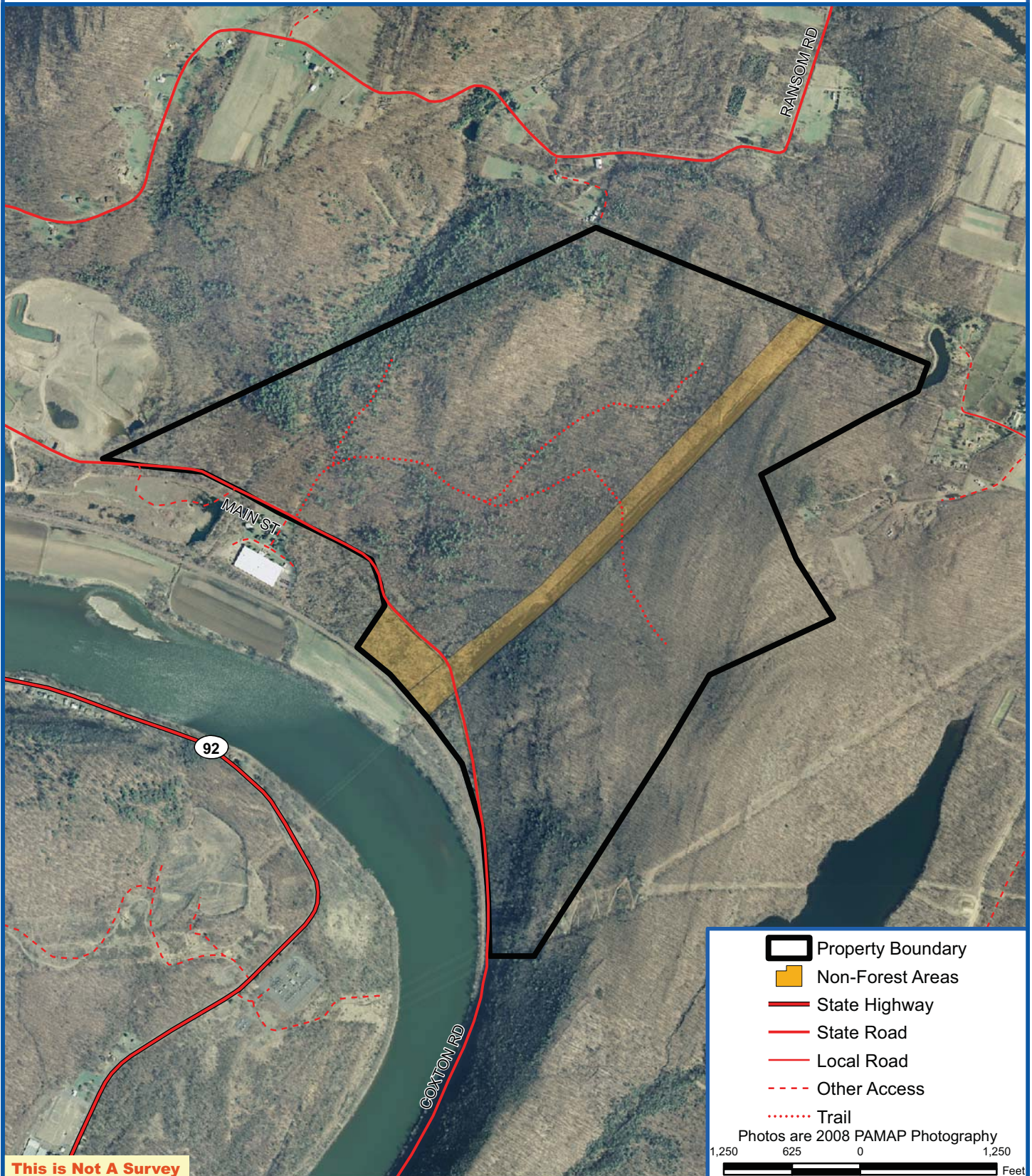


Pittston Forest

480 GIS Acres

Ransom, Lackawanna County, Pennsylvania

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CONSUMER NOTICE

THIS IS NOT A CONTRACT

Pennsylvania law requires real estate brokers and salespersons (licensees) to advise consumers who are seeking to sell or purchase residential or commercial real estate or tenants who are seeking to lease residential or commercial real estate where the licensee is working on behalf of the tenant of the business relationships permitted by the real estate licensing and registration act. **This notice must be provided to the consumer at the first contact where a substantive discussion about real estate occurs unless an oral disclosure has been previously provided. If the oral disclosure was provided, this notice must be provided at the first meeting or the first time a property is shown to the consumer by the broker or salesperson.**

Before you disclose any information to a licensee, be advised that unless you select an agency relationship the licensee is NOT REPRESENTING YOU. A business relationship of any kind will NOT be presumed but must be established between the consumer and the licensee.

Any licensee who provides you with real estate services owes you the following duties:

- Exercise reasonable professional skill and care which meets the practice standards required by the Act.
- Deal honestly and in good faith.
- Present, in a reasonably practicable period of time, all offers, counteroffers, notices, and communications to and from the parties in writing. The duty to present written offers and counteroffers may be waived if the waiver is in writing.
- Comply with Real Estate Seller Disclosure Act.
- Account for escrow and deposit funds.
- Disclose all conflicts of interest in a reasonably practicable period of time.
- Provide assistance with document preparation and advise the consumer regarding compliance with laws pertaining to real estate transactions.
- Advise the consumer to seek expert advice on matters about the transaction that are beyond the licensee's expertise.
- Keep the consumer informed about the transaction and the tasks to be completed.
- Disclose financial interest in a service, such as financial, title transfer and preparation services, insurance, construction, repair or inspection, at the time service is recommended or the first time the licensee learns that the service will be used.

A licensee may have the following business relationships with the consumer:

Seller Agency:

Seller agency is a relationship where the licensee, upon entering into a written agreement, works only for a seller/landlord. Seller's agents owe the additional duties of:

- *Loyalty* to the seller/landlord by acting in the seller's/landlord's best interest.
- *Confidentiality*, except that a licensee has a duty to reveal known material defects about the property.
- Making a *continuous and good faith effort* to find a buyer for the property, except while the property is subject to an existing agreement.
- Disclosure to other parties in the transaction that the licensee has been engaged as a seller's agent.

A seller's agent may compensate other brokers as *subagents* if the seller/landlord agrees in writing. Subagents have the same duties and obligations as the seller's agent. Seller's agents may also compensate buyer's agents and transaction licensees who do not have the same duties and obligations as seller's agents.

If you enter into a written agreement, the licensees in the real estate company owe you the additional duties identified above under seller agency. The exception is designated agency. See the designated agency section in this notice for more information.

Buyer Agency:

Buyer agency is a relationship where the licensee, upon entering into a written agreement, works only for the buyer/tenant. Buyer's agents owe the additional duties of:

- *Loyalty* to the buyer/tenant by acting in the buyer's/tenant's best interest.
- *Confidentiality*, except that a licensee is required to disclose known material defects about the property.
- Making a *continuous and good faith effort* to find a property for the buyer/tenant, except while the buyer/tenant is subject to an existing contract.
- Disclosure to other parties in the transaction that the licensee has been engaged as a buyer's agent.

A buyer's agent may be paid fees, which may include a percentage of the purchase price, and, even if paid by the seller/landlord, will represent the interests of the buyer/tenant.

If you enter into a written agreement, the licensees in the real estate company owe you the additional duties identified above under buyer agency. The exception is designated agency. See the designated agency section in this notice for more information.

Dual Agency:

Dual agency is a relationship where the licensee acts as the agent for both the seller/landlord and the buyer/tenant in the same transaction with the written consent of all parties. Dual agents owe the additional duties of:

- Taking no action that is *adverse or detrimental* to either party's interest in the transaction.

- Unless otherwise agree to in writing, making a *continuous and good faith* effort to find a buyer for the property and a property for the buyer, unless either are subject to an existing contract.
- *Confidentiality*, except that a licensee is required to disclose known material defects about the property.

Designated Agency:

In designated agency, the employing broker may, with your consent, designate one or more licensees from the real estate company to represent you. Other licensees in the company may represent another party and shall not be provided with any confidential information. The designated agent(s) shall have the duties as listed above under seller agency and buyer agency.

In designated agency, the employing broker will be a dual agent and have the additional duties of:

- Taking reasonable care to protect any confidential information disclosed to the licensee.
- Taking responsibility to direct and supervise the business activities of the licensees who represent the seller and buyer while taking no action that is adverse or detrimental to either party's interest in the transaction.

The designation may take place at the time that the parties enter into a written agreement, but may occur at a later time. Regardless of when the designation takes place, the employing broker is responsible for ensuring that confidential information is not disclosed.

Transaction Licensee:

A transaction licensee is a broker or salesperson who provides communication or document preparation services or performs other acts for which a license is required **WITHOUT being the agent or advocate** for either the seller/landlord or the buyer/tenant. Upon signing a written agreement or disclosure statement, a transaction licensee has the additional duty of limited confidentiality in that the following information may not be disclosed:

- The seller/landlord will accept a price less than the asking/listing price.
- The buyer/tenant will pay a price greater than the price submitted in a written offer.
- The seller/landlord or buyer/tenant will agree to financing terms other than those offered.

Other information deemed confidential by the consumer shall not be provided to the transaction licensee.

OTHER INFORMATION ABOUT REAL ESTATE TRANSACTIONS

The following are negotiable and shall be addressed in an agreement/disclosure statement with the licensee:

- The duration of the employment, listing agreement or contract.
- The fees or commissions.
- The scope of the activities or practices.
- The broker's cooperation with other brokers, including the sharing of fees.

Any sales agreement must contain the zoning classification of a property except in cases where the property is zoned solely or primarily to permit single family dwellings.

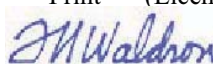
Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.

ACKNOWLEDGMENT

I acknowledge that I have received this disclosure.

Date: _____	_____	_____
	Print (Consumer)	Print (Consumer)
	_____	_____
	Signed (Consumer)	Signed (Consumer)
	_____	_____
	Address (Optional)	Address (Optional)
	_____	_____
	Phone Number (Optional)	Phone Number (Optional)

I certify that I have provided this document to the above consumer.

Date: _____	Todd H. Waldron
	Print (Licensee)
	
	Signed (Licensee)